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MCIWORLDCOM

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And Global Regulations

VIA HAND DELIVERY

June 21, 1999

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Ms. Magalie Roman Salas, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Reallocation of the 3650-3700 Band
ET Docket No. 98-237

Dear Ms. Salas:

On April 19, 1999 and June 19, 1999 (the latter as part of the Extended C-Band Coalition), representatives of MCI WorldCom, Inc. (MCI WorldCom) met with officials of the Federal Communications Commission (FCC) to discuss the Notice of Proposed Rulemaking concerning the reallocation of the 3650-3700 MHz band (the Extended C Band) from the Fixed Satellite Service (FSS) to the Fixed Service (FS). It also indicated the effects of the freeze in customers of telecommunications services. At this meeting, MCI WorldCom explained the importance of retaining use of the Extended C Band for the FSS on a primary basis. At the conclusion of the meeting, the FCC requested that MCI WorldCom provide more information regarding its current use of the Extended C Band for FSS. The purpose of this letter is to respond to that request, as well as to address the concerns of MCI WorldCom regarding the proposed reallocation of the Extended C Band.

MCI WorldCom currently operates two gateway stations in the Extended C Band. MCI WorldCom also owns a third station with capabilities to operate in the Extended C Band, for which it is currently in the process of obtaining a license. These gateways provide, among others, switched voice services, and International Private Lines (IPL) services for data and Internet.

MCI WorldCom generates approximately \$8 million in revenue per year from its use of the Extended C Band utilizing its gateway stations. MCI WorldCom customers include various basic telephone service providers throughout the world and large international corporations, including American Express International, Bank of America, American Airlines, Amoco, CBS, and Citibank.

MCI WorldCom also provides international FSS utilizing Very Small Aperture Terminals (VSAT) between the United States and points in the Caribbean, and Central and South America. Currently, MCI WorldCom has a total of eight VSAT customers operating sixty-three VSATs. Those customers include Proctor & Gamble, the Inter-American Development Bank, and Western Union International. MCI WorldCom's revenue associated with the Extended C Band is approximately \$2.6 million per year.

MCI WorldCom forecasts significant continued growth in sales in the Pan-American VSAT services market in the near future. In response, it has leased additional transponder capacity on the Intelsat 325 in the Extended C Band because no other capacity for these services is currently available.

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The use of the Extended C Band represents thirteen percent of MCI WorldCom's satellite service capability. The reallocation of this band would leave MCI WorldCom with only eighty-seven percent of its satellite service capability. This severe reduction in capacity will dramatically reduce the ability of MCI WorldCom to provide any service to its customers, by rendering several earth stations inoperable. The impact on MCI WorldCom's VSAT customers would be devastating. VSAT service is a low-cost service designed to meet the most basic telecommunications needs of certain MCI WorldCom customers, who purchase the service because their business operations cannot afford any other type of dedicated access service. If their VSATs become inoperable, MCI WorldCom customers will be forced to purchase expensive IPLs from other carriers and may not be able to survive. Finally, MCI WorldCom would incur significant costs as a result of the reallocation of the Extended C Band. The estimated cost for reconfiguration of each gateway is \$5 million, not including the costs associated with changing out the VSAT subscriber stations.

In sum, the reallocation of the Extended C Band to the FS would cause hardship to MCI WorldCom and other similarly situated FSS users. More importantly, it would also adversely affect the ability of MCI WorldCom's customers to obtain their fundamental telecommunications needs, customers who rely on the Extended C Band equipment and the service MCI WorldCom provides. The Commission therefore should consider the effects on MCI WorldCom and its customers before deciding whether to reallocate the Extended C Band to the FS.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Jennifer A. Manner".

Jennifer A. Manner

Cc: Julius Knapp, OET, Room 7-B133,
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